

M E M O R A N D U M

TO: The Commission

FROM: Larry M. Jones, Administrative Law Judge

DATE: September 20, 2001

SUBJECT: Central Illinois Public Service Company (AmerenCIPS) and
Union Electric Company (AmerenUE)

Petition for of revisions to delivery services tariffs, and for approval of a Delivery Services Implementation Plan for Residential Customers.

STATUS: A proposed order is being issued today, September 20, 2001, and a copy of it is attached hereto. Exceptions and replies are due October 5 and October 19, respectively.

In this proceeding, Ameren proposes revisions to its delivery services tariffs. Among other things, delivery services would be made available to residential customers. Pursuant to 16-104(a)(4) of the Act, such services must be offered by May 1, 2002. Delivery services tariffs for residential customers are to be approved 30 days prior thereto, and the implementation plan is to be approved 60 days prior thereto. In its filing, Ameren also seeks approval of proposed Rider SG which is intended to apply to the provision of standby delivery services to self-generation customers.

Many issues were resolved by the parties during the course of the proceedings. Issues which remain contested include the recoverability of various expenses, such as those associated with the Company's incentive compensation plan, ARES Business Center labor, and certain employee benefits. Other contested issues involve the method for allocating distribution costs; the pricing provisions of "Rider ISS - Interim Supply Service" for residential customers; and Rider SG.

I would note that for each contested issue, the conclusions in the proposed order contain a recap of the nature of the issue and of the parties' positions, along with the proposed order's analysis in support of the conclusions recommended therein.

Conclusions on contested issues are on pages 17-19 for the incentive comp plan; pages 23-24 for the ARES business center labor adjustment; pages 26-27 for the benefits expense adjustment; pages 40-42 for cost allocation issues; pages 48-50 for Rider ISS; and pages 62-64 for Rider SG. Conclusions regarding cost of capital are on pages 32-33.

LMJ/lw